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Executive Summary of Remarks

I will address the cost of conducting a commercial activities study under OMB Circular No. A-76.

The III Corps and Fort Hood, Directorate of Public Works (DPW) announced 435 spaces to be studied May 12, 1998. The study began June 1, 1998 and is scheduled to reach tentative decision April 2002. To date the approximate cost is \$2.8 million. A \$1200 per space has been paid to the U.S. Army Cost and Economic Analysis Center (CEAC) consultant contractor, Management Analysis Incorporated (MAI) totaling \$522,000.00. Actual cost to DPW, including civilian labor, actual equipment requirement, and actual contract to date is \$1,350,973.98, with an estimated cost to complete the study of \$80,000. The cost to Contracting Command, including civilian labor actual equipment requirement and actual contract cost to date is \$287,000 and total cost for selecting and conducting the Source Selection Evaluation Board is \$607,000.00.

Based on the cost of conducting commercial activities studies, we question whether the government can realize savings under OMB Circular No. A-76.